

March 3, 2003

The Honorable Allan C. Burke
Clerk of the Circuit Court
County of Montgomery

Board of Supervisors
County of Montgomery

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Montgomery for the period January 1, 2002 through December 31, 2002.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted a weakness in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Monitor and Disburse Liability Accounts

As noted in our previous audit report, the Clerk does not monitor liability accounts and does not perform due diligence to disburse unclaimed property. Specifically, we noted the following:

- The Clerk has not remitted \$2,956 in civil bonds to the Division of Unclaimed Property for unclaimed accounts over one year old as required by Section 55-210.9:2 of the Code of Virginia.
- The Clerk has \$200 in civil bonds not disbursed in ended cases.
- The Clerk has not remitted a \$100 criminal bond over one year old to the Division of Unclaimed Property.
- The Clerk should send any unclaimed property to the Division of Unclaimed Property once due diligence procedures have failed.

The Honorable Allan C. Burke
Board of Supervisors
March 3, 2003
Page Two

Consistently Monitor Inactive Civil Cases:

The Clerk does not have established policies and procedures to consistently monitor inactive civil cases. Section 8.01-335 of the Code of Virginia establishes guidelines for removing inactive civil cases from the Court's docket after one, two, and three years of inactivity. We found 593 civil cases dating back to 1987 with no action. We also found that the Clerk has not reviewed inactive civil cases in over a year.

Old cases clutter and overstate the Court's Docket Report, which is one of the tools the Compensation Board uses to allocate court funding. The Clerk should develop policies and procedures to review and identify inactive civil cases. Once identified the Clerk should bring them to the Judge's attention for the Court to remove them from the docket. Further, the Clerk should consistently monitor inactive cases.

Promptly Receipt and Deposit Collections

For all appealed cases tested, we found the Clerk receipted collections up to 30 business days after receiving the case from the District Court. Failure to promptly receipt collections could lead to theft or misappropriation of funds. The Clerk should promptly receipt and deposit all collections.

We discussed these comments with the Clerk on March 3, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Robert M. D. Turk, Chief Judge
Jeffrey D. Johnson, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts